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265 rue St-Philippe St., C.P./P.O. Box 370, Alfred, ON K0B 1A0

Tel: 679-4093 / Fax: 679-4939
email: aphydro@hawk.igs.net

~~CONFIDENTIAL~~

March 10, 2007

Ms. Kristen Walli
Ontario Energy Board
P. O. Box 2319
2300, Yonge Street
26th, Floor
Toronto, On
M4P 1E4

Dear Madame:

**Subject: Multi-year Electricity Distribution Rate Setting Plan
Selection of Electricity LDCs for Rebasing
Board File NO. EB-2006-0330**

Hydro 2000 Inc. is asking if they can be included in the Selection of Electricity LDCs for rebasing in the year 2008.

After doing our year end 2006 with our auditors, Hydro 2000 owes \$10,211 in PILs for year 2006. Estimating the revenues for 2007 hydro 2000 Inc will owe approximately \$29,792 in PILs that are not included in EDR-2006 or missing a revenue of approximately of \$36,608.

When we did EDR 2006 Model it was based on PILs paid in 2005. Hydro 2000 Inc. did not pay PILS for 2005 and had an accumulated loss carried over for year 2006 of \$83,000.

A question was asked by the board in 2005 for the PILs not knowing the new rates in 2006 and the impact on revenues no amount was included in EDR 2006 Model.

Another problem when me made EDR 2006 Model was the amount charges for LV estimated by Hydro One Networks Inc. for Hydro 2000 Inc was very low. In 2006 the variance account captured a difference over \$20,000 for only 6 months (June to December) because the rates were approved on May 25th, 2006. We anticipate that the variance account will grow because the most expensive month for the LV charges are the winter months. It is easy to say or estimate that the variance will double for 2007, 2008, 2009, ... at least. This may not be very big amount to you but by end year 2008 the variance will be over \$100,000 and growing or and expense of \$100 and growing per customer based on a customer base of 1130 customers.

Those two problems should be address as soon as possible. Please include Hydro 2000 Inc. in the rebasing of 2008.

Thank you for your cooperation,



Rene Beaulne (Bone)
Manager
613-679-4093